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T.R.A. DOCKET ROOM

April 22, 2003

VIA HAND DELIVERY

Ms. Sara Kyle, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243

Re: *Small Telephone Companies Tariff Filings Regarding Reclassifications of Pay Telephone Service as Required by Federal Communications Commission (FCC) Docket 96-128, TRA Docket No. 97-01181*

Dear Chairman Kyle:

Enclosed please find the original and 13 copies of a Proposed Settlement Agreement for filing in the above-referenced docket. Also enclosed is an additional copy of the Proposed Settlement Agreement, which I would appreciate your stamping as "filed," and returning to me by way of our courier.

Should you have any questions with respect to this filing, please do not hesitate to contact me at the telephone number listed above.

Very truly yours,



R. Dale Grimes

RDG/gci
Enclosures

cc: Certificate of Service List
Lynn Questell, Esq. (via hand-delivery)
Mr. Bruce H. Mottern
Ms. Desda Hutchins
Mr. Gregory Eubanks
Mr. Herb Bivens
Ms. Susan W. Smith
Mr. Terry M. Wales
Mr. David Espinoza

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T.R.A. DOCKET ROOM

**SMALL TELEPHONE COMPANIES
TARIFF FILINGS REGARDING
RECLASSIFICATION OF PAY TELEPHONE
SERVICE AS REQUIRED BY FEDERAL
COMMUNICATIONS COMMISSION (FCC)
DOCKET 96-128**

PROPOSED SETTLEMENT AGREEMENT

1. Coalition members whose current payphone access line rates are above the rates approved by the Authority for United Telephone Southeast (UTSE) in Docket No. 97-00409² shall amend their tariffs in order to reduce payphone rates as described below. The amended

² The rates approved for UTSE are as follows: a monthly payphone access line charge of \$26.39 and a traffic sensitive rate of \$0.0037 per minute. (The parties agree that this rate is the equivalent of a flat rate of \$30.00 a month). Optional call screening features are provided at no additional cost; however, service and installation charges will apply if such features are requested at the time of installation of the associated payphone access line. See Order of June 12, 2002, in Docket 97-00409, p. 12. These rates do not include tariffed interstate subscriber line charges or tariffed intrastate charges for answer supervision, coin control, service connection and touchtone charges.

tariffs shall be effective on the date of the issuance of an Order by the Authority approving this settlement. The Coalition and TPOA agree that, following the rate adjustments described in this settlement, the payphone access line rates of all Coalition members will be just and reasonable and consistent with the rates approved by the Authority in Docket No. 97-00409. Coalition members may apply the credit for property tax equity relief adjustment to the payphone access line rates approved herein.

2. Tennessee Tel, Concord, and Tellico will amend their tariffs to reduce payphone access line rates to equal the rates, terms, and conditions approved for UTSE as described in footnote 2.³

3. Ooltewah, Claiborne, Adamsville, Loretto, and Millington will amend their tariffs to reduce payphone access line rates to equal the flat-rated, single business line rate in that exchange, subject to the same terms and conditions as the UTSE payphone rates as described in footnote 2.

4. All other payphone access line rates of Coalition members will remain unchanged.

5. The Coalition will make a lump sum payment of \$75,000 to TPOA. The Coalition and TPOA agree that this payment is being made solely to avoid the expense of further litigation of any issues in this Docket. This payment will be due and payable, without interest, after approval of this Proposed Settlement Agreement by the Authority and within five (5) business days after entry of the Authority's order closing this Docket.

6. The Coalition and TPOA stipulate that, with regard to all members of the Coalition, upon approval and implementation of this settlement, the Authority will have fully

³ In any exchange which is not equipped to offer a measured usage rate, the UTSE equivalent rate will be presumed to be a flat monthly rate of \$30.00.

satisfied any and all of its obligations under Section 276 of the Federal Telecommunications Act, 47 U.S.C. § 276, related Orders of the Federal Communications Commission, and any related provision of state law, and that no issue will remain to be resolved, and this docket should be closed. The Coalition and TPOA further stipulate that federal law does not require states to adopt cost-based rates for non-Bell Operating Companies, nor does it require that any rate adjustment be retroactive.

7. By agreeing to this settlement, neither the Coalition nor the TPOA waives any right to continue litigating this matter should the settlement be rejected, in whole or in part. This settlement shall not be deemed an admission of liability nor an admission that any Coalition member was legally obligated to reduce its payphone access line rates or make any payment to the TPOA or any other person or party.

8. It is expressly agreed by the TPOA and the Coalition that this settlement shall be void and of no effect whatsoever if the Authority does not accept this Proposed Settlement Agreement as the full and final settlement of all issues in this Docket, or if the Authority imposes any other requirement beyond that set forth herein with respect to rates, costs, subsidies, refunds, reimbursements, payments, interest, or any other matter relating to payphone access line service of the Coalition members.

9. Any claim against Coalition members for costs, attorney's fees, refunds, interest, reimbursement, or any other monetary payment or relief of any kind or character whatsoever, beyond that set forth in this settlement, is expressly released and waived by the TPOA on behalf of itself and each of its members.

10. This Proposed Settlement Agreement is the full and final settlement of all claims asserted by the TPOA and its members against Coalition members with respect to payphone

access line rates, is their entire agreement, and contains all terms and conditions of their agreement.

Respectfully submitted,

Henry M. Walker
Henry M. Walker (#000272) *by R.D. Grimes*
BOULT, CUMMINGS, CONNERS & BERRY PLC *W/permission*
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*Attorney for Tennessee Payphone Owners
Association*

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*Attorneys for Coalition of Small Local
Exchange Companies*

CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing Proposed Settlement Agreement, has been served, via the method(s) indicated, on this the 22nd day of April, 2003, upon the following:

- ☐ Hand
- ☒ Mail
- ☐ Facsimile
- ☐ Overnight

Guy M. Hicks, Esq.
BellSouth Telecommunications, Inc.
333 Commerce Street, Suite 2101
Nashville, TN 37201-3300

- ☐ Hand
- ☒ Mail
- ☐ Facsimile
- ☐ Overnight

James B. Wright, Esq.
United Telephone-Southeast, Inc.
14111 Capital Boulevard
Wake Forest, NC 27587-5900

- ☐ Hand
- ☒ Mail
- ☐ Facsimile
- ☐ Overnight

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Assistant Attorney General
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Consumer Advocate and Protection Division
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- ☐ Hand
- ☒ Mail
- ☐ Facsimile
- ☐ Overnight

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- ☐ Hand
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- ☐ Facsimile
- ☐ Overnight

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- ☐ Hand
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